
January 2004



Basic Health™

Employer Group Manual

If you have questions, call Basic Health at 1-800-660-9840.

Si desea ayuda en español, llame al 1-800-321-0291. Для обслуживания на русском языке, позвоните, пожалуйста, по телефону 1-800-387-8224.
한국어로 도움을 원하시면 1-800-324-1658로 연락하십시오. Nếu quý vị muốn được giúp bằng tiếng Việt, xin gọi số 1-800-423-2231.

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TTY users (deaf, hard of hearing, or speech impaired), call 360-923-2701 or toll-free 1-888-923-5622.

What is Basic Health?

Basic Health is a health care program administered by the Washington State Health Care Authority (HCA).

Basic Health offers some unique advantages, such as:

- Many of the top health plans in Washington State.
- Coverage for office visits, hospital and emergency room services, and pharmacy benefits.
- Premiums based on family size, ages of enrolled members, gross family income, and health plan selected.
- One billing statement for the entire group.
- Additional benefits under Basic Health *Plus* for children who qualify.

Where can I find more information?

You can find additional information in the Basic Health enrollment packet that is provided for each employee and in the Basic Health Member Handbook, which will be provided for each employee enrolled.

Basic Health's Web site (includes Internet provider directory, *Member Handbook*, *How Much Will Basic Health Coverage Cost?* brochure, and other useful information): **www.basichealth.hca.wa.gov**

Materials on the Web site can be downloaded so that you can copy, complete, and mail them in.

If you have additional questions or need assistance, call Basic Health at 1-800-660-9840.

Who is eligible?

To be eligible to enroll in Basic Health, individuals must be Washington State residents who meet Basic Health income guidelines, are not eligible for free or purchased Medicare, and are not institutionalized* at the time of enrollment.

To be eligible for Basic Health as an employer, a business must be licensed in Washington State, provide Basic Health with a Unified Business Identifier (UBI) number, and employ one or more persons in addition to the business owner. Employers must also demonstrate that they will be enrolling at least 75 percent of their eligible employees within a classification of employees, and may not offer other health insurance to the same classification of employees. (Examples of a classification of employees would include full-time employees, part-time employees, or a distinct bargaining unit.) Space in Basic Health is limited, so if applications for enrollment have exceeded available funding, enrollment for new employer groups may be delayed.

* You are considered institutionalized if you are residing in or confined to a government-operated facility where health care historically has been provided and funded through the budget of the operating agency (for example, a county or municipal jail, a veterans' or soldiers' home, a Department of Social and Health Services (DSHS) state hospital, juvenile rehabilitation center, or a group home).

Applying for coverage

Employers are expected to work with their employees to ensure their applications are completed and all documentation is included. Incomplete applications or missing documentation may delay enrollment for the entire group.

To enroll an employer group under Basic Health, you will need to complete and submit the following:

- The *Employer Enrollment Application* (required in addition to the Basic Health applications from your employees).
- A Basic Health application for every eligible employee, including those who are declining coverage for any reason. If an employee is declining coverage, that must be indicated on the employee's Basic Health application. Employees who are declining coverage should sign the application and complete the "Applicant and Household Information" section, the "Other Insurance Information" section, and the type of coverage question in the "Health Plan Selection and Additional Program Choices" section of the application.
- All employees' applications must also indicate the group name.

Follow the instructions included with the application, and make sure each Basic Health application includes:

1. Signatures of all family members over age 18 applying for coverage.
2. Health plan selection.
3. Required proof of residence within Washington State, which must be current and show the applicant's name and street address, including city, state, and ZIP Code. An applicant's mailing address may be a post office box, but the address for proof of residence must be a physical location.
4. Documentation of current earned and unearned family income. This must include:
 - A copy of the most recently filed federal income tax return (IRS Form 1040 and any applicable schedules);
 - Pay stubs and/or other documentation listed on the *Monthly Income Worksheet*; and
 - The appropriate income worksheet(s).

Employees who are not eligible for Basic Health, or who have declined coverage because they have other health care coverage (for example, through their spouse or a federal program), will be excluded when calculating the 75 percent participation requirement. For employers who have between 3 and 10 employees, a majority percentage will be used if the participation of one more employee would exceed the 75 percent participation requirement. (For example, 7 out of 10 or 2 out of 3 employees would be considered sufficient participation.)

If you have employees who are currently covered under an individual Basic Health account, please use the *Basic Health Insurance Enrollment Adjustment Form* included with this packet to request the transfer of that person's coverage from individual Basic Health to your Basic Health group account.

You will be billed for the employee who is transferring from individual coverage to your group account on your regular monthly statement with your other covered employees. After your first payment has been received, that employee's coverage will be converted from an individual account to the group account and you will continue to be billed for the transferred employee on your regular statement.

After your group is enrolled

Each group must designate a contact person who is responsible for:

- Coordinating communication between Basic Health and group members.
- Ensuring that changes to your employees' accounts are reported to Basic Health.
- Collecting any monthly premium contribution from members of their group, and submitting the entire payment to Basic Health.

Keep account information current

Each member is responsible for ensuring that his or her Basic Health account information is correct. Changes to a member's account are submitted by the group on the *Basic Health Insurance Enrollment Adjustment Form*, or other approved form designed by the employer. Members may report changes through the employer or directly to Basic Health; however, changes that will impact the group account status should always be made by the employer to Basic Health.

Basic Health costs

The premiums charged for each group member depend on the member's age, the number and ages of family members, gross family income, and the health plan chosen.

Employers are required to make a minimum monthly contribution of \$32 for each part-time employee (regularly scheduled to work fewer than 30 hours per week) and \$52 for each full-time employee (regularly scheduled to work 30 or more hours per week) enrolling in their group. (This minimum contribution may change in future contract years, so be sure to refer to a current enrollment packet.) Employers may, of course, choose to contribute more for each employee; however, the employer contribution listed on your Basic Health insurance statement will show the minimum contribution amount. Each contribution will be used as follows:

- \$17 of your contribution is used to offset your employee's premium cost. The remainder of the minimum contribution (\$15 per part-time employee and \$35 per full-time employee) helps reduce the portion of the premium paid by the state.
- If you choose to pay more than the minimum contribution toward your employees' coverage, the entire amount over the minimum contribution will be used to offset your employees' premium costs.

You may also choose to contribute to the monthly premium for the dependents of your employees. If you do, the entire amount of your dependent contribution goes to offset the premium for your employees' dependents. Be sure your employees are aware of the Basic Health *Plus* program for children under age 19 who meet Medicaid eligibility criteria. Basic Health *Plus* provides additional benefits for eligible children.

The total amount of your group bill (employer and employee premium costs) will be calculated by Basic Health and you will be billed for the entire amount due for the group.

To estimate your employer group's monthly premium, even if you do not know your employees' monthly family incomes, you can look at the health plan choices available in your employees' counties of residence and the range of premiums. The following page shows a sample of the monthly premium calculation for an employer.

Sample premium calculation for employer group member

Note: In the example below, the employer is paying only the minimum premium contribution. The employer can choose to contribute additional amounts to offset employees' costs. (The premiums quoted here are examples only and assume the children are enrolled in Basic Health, not Basic Health *Plus*. Please check your current application packet for updated information.)

Full-time employee, with children

Family Size: 3

Spouse Age: Not married

County: King

Child(ren) Age(s): 2 children, ages 5 and 7

Plan Choice: Premera Blue Cross

Gross Monthly Family Income: \$1,000 (Income Band B)

Employee Age: 26

Step 1: Add up premium amounts from cost brochure

- Employee (includes \$17 from minimum employer contribution + \$5.50 from employee): \$ 22.50
- Dependents (\$22.50 each): \$ 45.00

Step 2: Add \$35 employer contribution for full-time employee + 35.00

Step 3: Total amount paid to Basic Health (employer + employee portions) **\$ 102.50**

In this example, if the employer is paying the minimum amount for the employee only, the employer's share would be \$52.00; the employee's share would be \$50.50.

Group billing and delinquencies

Basic Health will send an itemized monthly statement for all members enrolled in a group to the representative designated by the employer.

The employer must submit **the entire premium amount due** (including any employee's share of the premium) by the due date specified on the monthly statement to continue coverage for members of the group.

Monthly billing statements are mailed on or about the 16th of each month, six weeks prior to the coverage period. (For example, statements for June coverage are mailed on or about April 16.)

Payments are always due the 5th of the month preceding the month of coverage. (For example, payment for June coverage is due May 5.)

If recent adjustments (for example, dropping a group member's coverage) are not reflected on your monthly statement, it is very important to pay the entire amount billed. Any overpayment will be credited to your next month's bill.

Partial payment or payments that cannot be processed (for example, due to no signature or non-sufficient funds) will be considered nonpayment.

If the entire group premium has not been paid or is underpaid, delinquency notices will be sent to group contacts on the 10th of the month prior to the month of coverage. (For example, if payment for June coverage is not received by May 5, a delinquency notice is sent to the group contact person on May 10.) Basic Health does not charge a late fee or extend coverage for unpaid accounts.

If the group premium still has not been paid in-full by the 15th of the month prior to the month of coverage, a delinquency notice will be mailed to each enrolled employee. This notice will warn them of possible loss of coverage, and instruct them to contact their employer directly for information regarding their coverage.

On or about the 27th of each month, the next month's coverage will be suspended for all members of group accounts that are still unpaid or underpaid. (For example, if payment is still not received by May 27, June coverage is suspended for all members of that account.) A notice of suspension will be mailed to the group contact and to each member enrolled in the group account. Members will be instructed to contact their employer directly for information regarding the suspension of their coverage.

If payment is received after coverage is suspended, but prior to the 5th of the month of suspension, coverage will be restored for the following month. Notification of a return to coverage will be mailed to the group contact and each employee indicating there was a **one-month break in coverage**. (For example, if coverage was suspended for June and payment was received by June 5, coverage will be restored for the entire group effective July 1. Members will have no coverage for the month of June and must pay for any health care services they receive in June.)

If payment is not received by the 5th of the month the group's coverage was suspended, **the entire group will be disenrolled** for nonpayment. On or about the 8th of the month coverage was suspended, Basic Health will mail each former group member an offer to return to Basic Health coverage under an individual account with a **one-month break in coverage**. (For example, if the group is disenrolled effective June 1, an offer of July coverage under an individual account will be sent to each former member on June 8. Members will have no coverage for the month of June and must pay for any health care services they receive in June.)

Sample insurance statement by agency (detail report)

REPORT: BHP205P5

STATE OF WASHINGTON
BASIC HEALTH PLAN
GROUP DETAIL REPORT

PAGE: 1
DATE:11/16/98

GROUP-ID: 908B99

NAME: YOUR BUSINESS NAME

SUBSCRIBER-ID	ENROLLED DATE	-----SUBSCRIBER NAME-----	FAMILY STATUS	-----FAMILY MEMBERS-----	STATUS
000 00 0000	01 01 1996	EMPLOYEE, WILLIAM J	ACTIVE	EMPLOYEE, WILLIAM J	ENROLLED
SUBSCRIBER	SPOUSE	DEPENDENT	TOTAL		
168.32	0.00	0.0	168.32		

000 00 0000	06 01 1997	EMPLOYEE, SALLY C	ACTIVE	EMPLOYEE, SALLY C	ENROLLED
				EMPLOYEE, AMANDA M	ENROLLED
SUBSCRIBER	SPOUSE	DEPENDENT	TOTAL		
75.11	0.00	0.00	75.11		

-----SUMMARY DATA-----

TOTAL NUMBER OF ACTIVE ACCOUNTS	: 2
TOTAL NUMBER OF RE-ENROLLED ACCOUNTS	: 0
TOTAL NUMBER OF NEW APPROVED ACCOUNTS	: 0
TOTAL NUMBER OF INELIGIBLE ACCOUNTS	: 0
TOTAL NUMBER OF DISENROLLED ACCOUNTS	: 0
TOTAL NUMBER OF UNVERIFIED ACCOUNTS:	: 0
TOTAL NUMBER OF RECEIVED ACCOUNTS	: 0
TOTAL NUMBER OF SUBSCRIBERS	: 2
TOTAL NUMBER OF MEMBERS	: 3

Removing a member from group coverage

Employers are responsible for notifying Basic Health if an employee is no longer eligible for group coverage, has moved out of state, or has died, using the *Basic Health Insurance Enrollment Adjustment Form* provided.

If a member of a Basic Health employer group is to be removed from group coverage and the group contact notifies Basic Health of the change before the 14th of the month, the member will be removed from group coverage the first day of the following month.

If an employee will be taking a leave of absence, but will still be living in Washington State, you may either continue his or her group coverage or request that (s)he be transferred to an individual account during that time. If you wish to transfer the employee to an individual account, be sure to allow time to process the request.

The employer group must notify employees who are losing group coverage that coverage under an individual Basic Health account is available. Basic Health will send the employee a letter, offering coverage under an individual account. Those who transfer their coverage to an individual Basic Health account may have a one-month break in coverage, but will not be required to wait until space is available, if payment for individual coverage is received by the due date on the letter.

Please Note:

When transferring from group coverage to individual coverage, the employee may be required to provide updated income documentation to Basic Health. The monthly premium for individual coverage will be based on the income information that is on file with Basic Health at the time of the transfer. When updated income documentation is received, Basic Health will make the appropriate changes to his or her account based on that documentation.

COBRA continuation coverage

If an employee is no longer eligible for group coverage, (s)he will be given the option of transferring to coverage under an individual account. The member may also be eligible for continuation coverage under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA).

Employers are responsible for understanding whether COBRA rules apply to their group. They are also responsible for notifying their employees who experience a COBRA “qualifying event” of the employees’ right to enroll either as a COBRA beneficiary in their employer’s group plan, or in an individual Basic Health account.

A “qualifying event” for COBRA continuation coverage can include the employee’s termination of employment (other than for gross misconduct), reduction in hours of employment, or an employer’s filing of a bankruptcy proceeding (retirees and certain dependents only). In addition, a “qualifying event for a spouse or dependent child can include a covered employee’s death, a spouse’s divorce or legal separation from a covered employee, a covered employee’s entitlement to Medicare (Part A, Part B, or both), or a dependent child’s loss of dependent eligibility under the plan.

Basic Health will notify employees of their possible eligibility for COBRA coverage when they are removed from group coverage, and will refer them to their employer for information.

Employees who choose to enroll in COBRA coverage, will have 60 days from the date of the employer’s notice of eligibility to apply. After applying for COBRA coverage, they will have 45 days to pay their first invoice and must pay premiums retroactive to the first coverage month following the qualifying event. Once enrolled in COBRA, they will have up to 30 days to pay their COBRA invoice after its due date.

Please Note:

If a member chooses to enroll in COBRA continuation coverage, (s)he will be charged the full cost of Basic Health coverage, plus a 2 percent COBRA administration fee.

At any time, an eligible individual may convert his or her COBRA account to an individual Basic Health account. However, (s)he may be required to wait until space is available if (s)he applies for Basic Health coverage after enrolling in COBRA continuation coverage.

